the Government Railway Police (GRP). Therefore, information asked for in the question is not readily available with the Ministry of Railways.

(d) 'Policing' being a subject matter of the State Government, security to passengers including female passengers is the responsibility of GRP and State Police. The Railway administration assists the GRP in escorting the lady compartments apart from manning the stations in vulnerable sections. Special squads consisting of Lady TTEs, Lady Constables/ RPF and GRP staff are existing to assist the lady passengers.

**Mudkhed Adilabad Rail Line**

1156. SHRI K. KALAVENKATA RAO: Will the Minister of RAILWAYS be pleased to state:

(a) the amount earmarked this year for completion of Mudkhed-Adilabad rail line; and

(b) by when the project is likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI BANDARU DATTATRAYA): (a) An amount of Rs. 30 crore has been allocated for the project in Budget 2002-2003.

(b) The work is expected to be completed during 2004-2005 depending upon availability of resources.

**Disinvestment in RITES and IRCON**

1157. SHRI KARNENDU BHATTACHARJEE: Will the Minister of RAILWAYS be pleased to state:

(a) whether the Ministry of Railways has received any proposal for disinvestment of Rail India Technical & Economic Services (RITES) and Indian Railway Construction Company (IRCON);

(b) if so, the details thereof; and

(c) the reaction of the Ministry thereto?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI BANDARU DATTATRAYA): (a) Yes, Sir.

(b) For Disinvestment in RITES, recommendations of Disinvestment Commission are as under:

(i) A minimum of 51% of the Government equity may be given to employees (both present and past) of RITES. Government may retain 25% of the equity. Balance equity may be distributed among reputed infrastructure consultancy organisation and infrastructure leasing and financing organisations after suitable pre-qualification.

(ii) The Railways should have an agreement with RITES under which continuous induction of talented Railway personnel would be guaranteed for a period of 5 years.

(iii) RITES should develop consultancy expertise outside Railway area with a view to increase non-Railway consultancy business.

(iv) Export of rolling stock handled by RITES can be handled directly by the Railways.

(v) Inspection work related to quality assurance of purchased items, presently entrusted to RITES, may be handled by the Ministry of Railways.

For disinvestment in IRCON International Ltd., recommendations of Disinvestment Commission are as under:

(i) Strategic sale of 51% stake and transfer of management control in the company through a competitive bidding process, after having withdrawn necessary surplus from IRCON.

(ii) With a view to ensuring the retention of the employees on deputation from Indian Railways as well as other key employees of IRCON, suitable schemes of incentivization of employees such as Employee Stock Option Plan (ESOP)/Employee Stock Purchase Scheme should be explored.

(c) Ministry of Railways have not agreed to the recommendations and suggestions of Disinvestment Commission for disinvestments of RITES as listed in question (b) above for the following reasons:

(i) the present net worth of RITES is Rs. 158 crores and the share capital is Rs. 2 crores for sale of 51% of shares to employees, the Government should be able to realise 51% of the net work *i.e.* Rs. 80 crores approximately. Thus the hundred rupee share would have to be sold for approximately Rs. 7800/-. Also the expected annual dividend of Rs. 3 crores, would yield an average return of only 1.9% to the employees. To realise Rs. 80 crores through employees as recommended

by the Disinvestment Commission, on the average investment of the present employees of RITES, would be in the range of Rs. 3.5 lakhs per employee if all the present employees opt for it. This may not be possible.

(ii) deputation of Railway personnel to RITES, after disinvestments, would not be possible.

(iii) Disinvestment Commission's suggestion that RITES may develop expertise in non-Railway business, after disinvestments, would defeat the very purpose for which RITES was initially set-up. Indian Railway's requirement of consultancy expertise in Railway area, would get diluted and may not be available after some time as availability of Railway expertise in RITES dwindles.

(iv) the export of rolling stock was delegated to RITES only because Indian Railways was unable to handle it directly through Government departmental set up. The recommendations, if accepted, would immediately effect export of Railway rolling stock and Indian Railways' efforts to utilise spare capacity available in workshops.

(v) the work of quality assurance for purchase items was hived off as a non-core activity to RITES as an independent third party. If Ministry of Railways were to carry out inspection work, they would need to create an organisation for the same at a time when Indian Railways are making every effort to contain growth of manpower.

Ministry of Railways is not in favour of Disinvestment of IRCON International Ltd. due to following reasons:

(i) IRCON is in the field of construction of Railway projects which are of specialised nature.

(ii) Many of the projects undertaken abroad for construction and for operation of Railway system are given to the PSUs on the strength of Indian Railways backing, e.g. the Letter of Intent given by the Malaysian Govt. for construction of US$ 1.5, billion Ipoh-Padang Besar doubling project on single tender without going through the process of formal tendering is only on the strength of the backing of Ministry of Railways, Government of India.

(iii) Activities of IRCON abroad afford an oppontunity to Railway personnel to observe developments which benefit the Railway officers on repatriation..

(iv) Indian Railways have got surplus manufacturing capacity in production units for manufacture of locomotives and coaches. IRCON is also the export arm of Indian Railways for the export of locomotives, coaches, etc. For export of locomotives and coaches, a close coordination between Railway Research Design and Standards Organisation, Indian Railways' manufacturing units and IRCON is required.

(v) IRCON, being a construction organisation, can keep only a small work force on permanent basis. In the existing scenario of stiff competition in the construction industry, both in domestic and international market, only a company, which is lean with respect to their fixed cadre, can sustain their profits. Presently the skills; for undertaking Rail related projects, are acquired by IRCON through personnel on deputation from the Railways. After disinvestments, it will not be possible to induct Railwaymen into IRCON. It will affect the competence of the organisation to carry out Rail related projects in India and abroad.

**Disruption of Bangalore Mysore Rail Service**

1158. SHRI K. B. KRISHNA MURTHY: Will the Minister of RAILWAYS be pleased to state:

(a) the estimated loss to the railways due to cancellation or disruption of rail services between Bangalore and Mysore during Cauvery river water agitation, in the months of September/October, 2002; and

(b) the estimated loss due to damage to rail line and rail engine by the agitators?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI BANDARU DATTATRAYA): (a) The estimated loss to the Railways due to cancellation or disruption of Rail services between Bangalore and Mysore is Rs. 109.76 Lakhs.

(b) the estimated loss due to damage to Rail line and Rail engine by the agitators is Rs. 15.25 Lakhs.

**Recruitments in NF Railway from Assam**

1159. SHRI DWIJENDRA NATH SHARMAH: Will the Minister of RAILWAYS be pleased to state:

(a) whether there is any proposal in the Ministry of Railways to solve the unemployment problem of Assam;